



## BTI Premium Practices Forecast: Survey of Corporate Legal Spending



2007

prepared by

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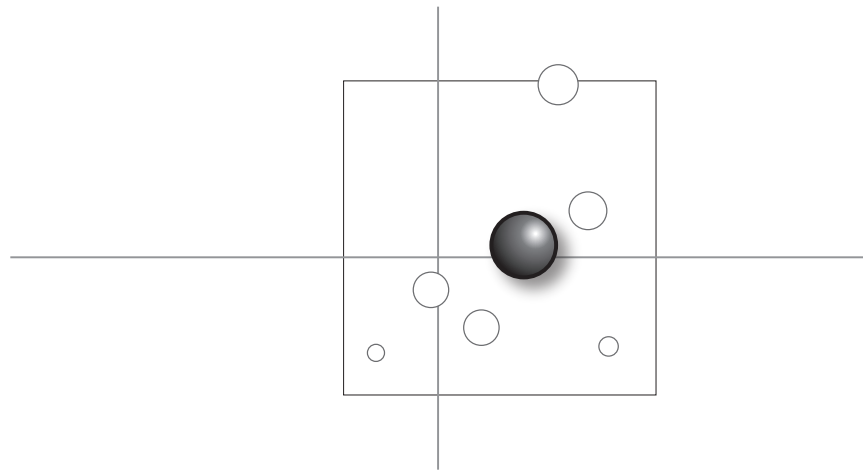


# **BTI Premium Practices Forecast**

## **Survey of Corporate Legal Spending**

### Executive Summary

**2007**



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# Introduction



## *Introduction to BTI's Premium Practices Forecast 2007*

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*BTI's Premium Practices Forecast 2007* identifies with targeted precision the best opportunities for higher billings and premium rates in 2007—by Industry and Practice. Drawing on six years of research, more than 6,000 individual data points, and nearly 1,300 interviews with corporate counsel including over 250 in 2006. BTI performs an unprecedented trend analysis to delineate:

- ◆ Projected growth in outside counsel spending for each of:
  - 16 practices
  - 18 industries
- ◆ 9 practices that garner premium rates
- ◆ 7 Powerhouse Practices that will climb more than 10% in 2007
- ◆ 38 unique spending surges by practice and industry

### *Direct From Client Budgets*

BTI's analysis of corporate legal spending relies on data and insights gathered from more than 1,300 comprehensive, in-depth interviews with corporate counsel at large and Fortune 1000 organizations. Clients' specific expectations for how spending, needs and goals will change over the next 12 months drive our market projections. BTI analyzes all this, and more, to define the most robust market opportunities.

Get powerful insights—direct from the world's largest clients—into where corporate legal dollars will increase in the next 12 months. Use this analysis to:

- ◆ Target resources with precision
- ◆ Drive double-digit growth in billings
- ◆ Benchmark financial performance
- ◆ Set client development goals
- ◆ Leverage your investments into powerful returns

### *Powerhouse Practices: High-Growth and Premium Billing Rates*

BTI's analysis of client spending reveals only 7 Powerhouse Practices which enjoy double-digit growth expectations and premium billing rates. Discover which practices enjoy this dual advantage.



### *BTI Industry Hot Spots—by Practice*

BTI examines the cross-section of client spending expectations and needs in 9 practices and 18 industries to pinpoint exact targets for the most robust business development. Out of 288 specific opportunities, 38 deliver the best opportunity for growth—5 promise spending declines and rate pressure.

Use the *BTI Industry Hot Spots* to guide client development efforts, delineate cross-selling potential and drive superior growth.

### *Outside Counsel Spending On the Rise*

Typical client spending on outside counsel climbs 15.5%, rising to \$19.5 million this year. Learn what increased spending means for law firms and clients—and how your firm can take advantage of the influx of legal dollars.

### *Outside Counsel Market to Grow 9.6%*

No strategic plan is complete without a clear vision of how your firm's growth expectations measure up to the overall market and to competitors.

- ◆ Benchmark performance against the overall market
- ◆ Gauge progress and potential for specific practice groups
- ◆ Define precise business development goals for 2007
- ◆ Delineate how your firm's growth in revenue compares to changes in client spending—Are you keeping up?

### *Client Goals, Needs and Priorities*

BTI's research reveals a law firm's ability to understand a client's business and demonstrate client focus not only differentiates the firm in the eyes of clients, but also:

- ◆ Drives hiring decisions
- ◆ Boosts annual billings
- ◆ Increases the potential for premium rates

Get a sneak preview into what's on the mind of the world's largest clients. Use these insights to open a dialogue with your own clients—or tap into unmet needs at a prospective client.



### *9 Issues that Keep Clients Up at Night*

True, compliance tops the list of what keeps clients up at night. Yet it's the new, up and coming concerns which help your firm stay one step ahead of the competition. BTI's research unveils 4 themes that emerge on this year's list of top priorities. Discover what these are and devise a compelling solution to address clients' most pressing concerns—a surefire way to stand out from your competitors.

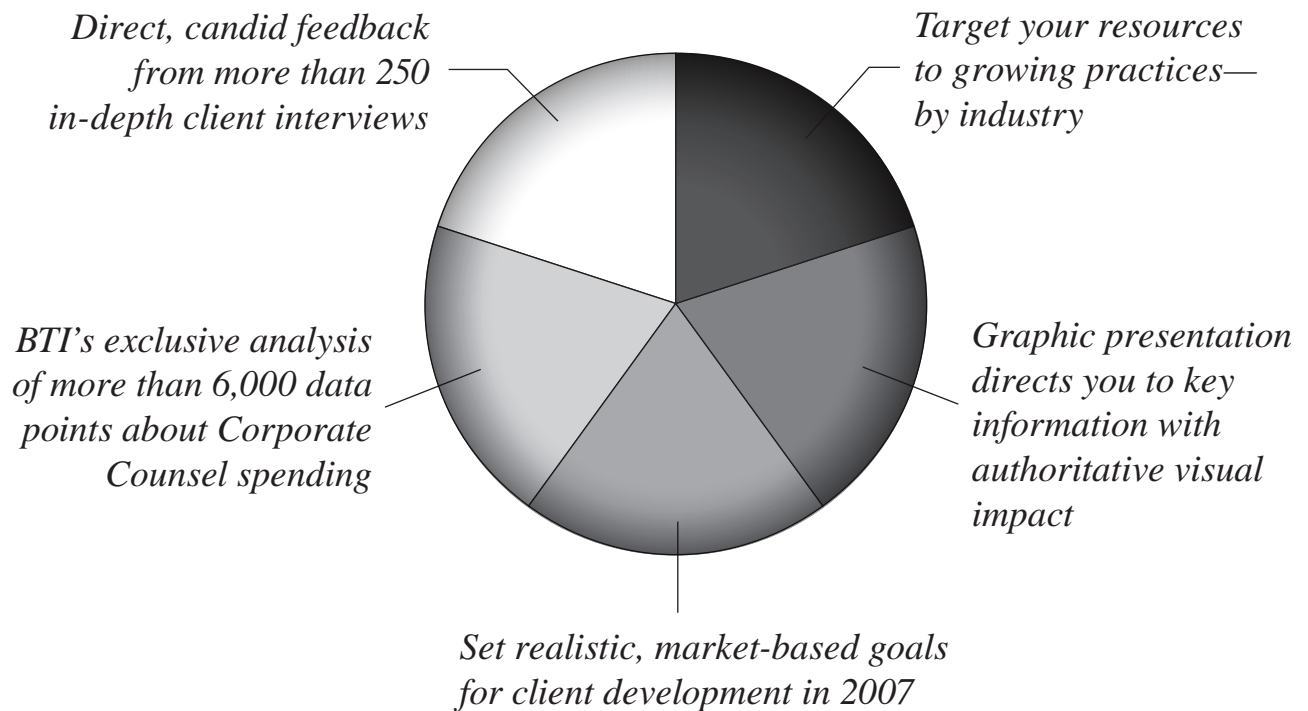


## How to Use This Report



This **BTI Insights Box** delivers a succinct snapshot of key trends and opportunities. Use these potent insights to guide you how to apply relevant analysis to your practice on a tactical and strategic level.

## DISCOVER COMPELLING INSIGHT INTO KEY TRENDS



## To the Point

- ◆ Concise, bullet-point analysis distills key take-aways
- ◆ Delineate specific opportunities
  - Growth projections for 2007 – by practice
  - Industry-specific hot spots
  - Prospects for premium billing



## BTI Methodology and Approach



BTI conducts all interviews using multiple techniques; this includes open-ended, unstructured methods enabling the market to define clients' needs and priorities according to their own understanding and perceptions. Our interview team has an average of more than 10 years of experience.

This fact-based, comprehensive analysis draws on nearly 1,300 client interviews conducted over the span of 6 years. Spending, budget and practice area assessments for 2006 and 2007 are based on over 200 brand new, individual, independent interviews with corporate counsel at large and Fortune 1000 organizations. Our 2006 interviews were conducted between June 1 and August 30, 2006, and represent:

- ◆ 24% of the Fortune 100
- ◆ 9.6% of the Global 500
- ◆ More than 15 industries, including:
  - Pharmaceuticals
  - Investment Banks
  - Banking
  - High Tech
  - Financial Services
  - Consumer Goods
  - Energy
  - Chemicals
  - Transportation
  - Manufacturing
  - Retail Trade
  - Telecommunications
  - Wholesale Trade
  - Insurance
  - Professional Services
- ◆ Top legal executives
  - 58.4% of interviews are with General Counsel and Chief Legal Officers
  - 24.9% of interviews are with direct reports to General Counsel
- ◆ Average revenue of \$17.8 billion
  - Median revenue of \$4.9 billion



### *Independent, Objective Research*

BTI identifies the target companies and individuals to be surveyed. We design and develop the survey instrument based on over 25 years of experience in the research industry. Each interview is conducted individually via telephone. We draw on a variety of sources, including our own research, to identify the individuals in the survey. BTI does not conduct any mass mailings, solicitations or group invitations. All of our interviews are conducted using this objective approach.

### *Full, Unlimited Telephone Support*

Each and every *BTI Premium Practices Forecast 2007* report comes with unlimited telephone support. We encourage a dialogue with all our clients and are dedicated to helping them get maximum benefit from this report. Please call Marcie L. Borgal Shunk, Principal, at (617) 439-0333 ext. 1649, or send an email to [mshunk@bticonsulting.com](mailto:mshunk@bticonsulting.com). You will find us responsive, helpful and to the point.

The opinions expressed in *BTI Premium Practices Forecast 2007* are based on The BTI Consulting Group's analysis of objective data, combined with our extensive experience. Any perceived criticism is offered in the spirit of constructive input and is not intended to offend any firm. Our analysis is designed to identify strengths, weaknesses, opportunities and threats for BTI clients and subscribers.



## About The BTI Consulting Group



## The BTI Consulting Group—Who We Are

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The BTI Consulting Group (BTI) is the leading provider of strategic market research to law firms and professional services firms. BTI performs more market research about law firms than virtually anyone. We conduct the only continuous benchmarking market study in the legal services industry based on nearly 1,300 independent interviews with General Counsel and key decision makers that hire law firms.

BTI uses powerful, robust analysis to help clients define new approaches to key issues that boost performance including:

- ◆ 17 activities that drive relationships between law firms and clients
- ◆ 12 power marketing practices that drive growth and profits
- ◆ 7 tactics to command premium rates
- ◆ 4 key differentiators that separate law firms in the mind of clients
- ◆ 6 core barometers to gauge market position
- ◆ 5 drivers of favorable awareness that attract the best new clients

BTI regularly publishes this compelling research in independent publications, reports and summaries. Learn more about BTI's publications on pages 78–79.

BTI conducts private benchmarking, market awareness and client satisfaction research for some of the best-run organizations in the world. BTI boasts one of the world's largest knowledge bases of professional services research based on more than 6,000 interviews conducted over the last 17 years.

BTI enjoys a far-reaching client base that includes:

- ◆ More than 70 of the 100 largest law firms
- ◆ Over 250 of the leading professional services firms worldwide
- ◆ Over 35% of the Global 500
- ◆ More than 450 Fortune 1000 companies



## The BTI Consulting Group—Our Services

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BTI offers the following key services for law firms:

### ***Strategic Market Research***

- ◆ Custom Client Surveys
- ◆ Market Awareness
- ◆ Strategic Research
- ◆ Client Satisfaction Surveys
- ◆ Performance Metrics and Indicators
- ◆ Best Practices for Superior Client Service
- ◆ Key Client Programs
- ◆ Private Briefings
- ◆ Client Focus Boot Camp

### ***Consulting***

- ◆ Key Client Strategies
- ◆ Client-Focused Business Practices
- ◆ Strategic Business Planning
- ◆ BTI Client Focus Boot Camp
- ◆ Garnering Premium Rates by Articulating Value

### ***Private Briefings***

BTI also offers private briefings both in person and via the web. Chock full of client-based insights, perspectives and facts, BTI briefings draw from our research, experience and other resources to provide provocative, constructive insights to help you boost client satisfaction, increase client retention and improve your performance. We can tailor our briefing to include specific feedback on your firm.

Please call Marcie L. Borgal Shunk at (617) 439-0333 ext. 1649 to learn more about BTI's custom research and services.



## Additional Insights from BTI Publications

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### ***BTI Power Rankings:***

#### ***The BTI Client Relationship Scorecard for Law Firms 2006***

BTI's groundbreaking analysis of which law firms dominate the legal market and boast the biggest, most prestigious client base in the world. Based on 376 interviews with large and Fortune 1000 clients, *BTI Power Rankings* reveals what it takes to join the ranks of *The BTI Power Elite*—the 21 law firms who enjoy clients' highest kudos, most enthusiastic recommendations—and dollars. See which law firms enjoy primary relationships with clients, who clients recommend to their peers, which law firms get short-listed and who are the top Bet-the-Company firms. Plus, discover the 9 types of law firms and see how you stand up against your competitors.

#### ***How Clients Hire, Fire and Spend: Landing the World's Best Clients 2006***

BTI's *How Clients Hire, Fire and Spend: Landing the World's Best Clients* is an unparalleled tool to boost your understanding of clients and how to win more business. Drawing on over 1,000 client interviews and more than 25 years of experience building 8-figure client relationships, *How Clients Hire, Fire and Spend* delivers no-nonsense insight into getting more leads and closing more business now.

BTI's *How Clients Hire, Fire and Spend: Landing the World's Best Clients* is your key to developing 7- to 9-figure client relationships. Learn what works — and what doesn't — based on more than 1,000 interviews with corporate counsel. Hear directly from your clients what it takes to get hired.

### ***The Survey of Client Service Performance for Law Firms:***

#### ***The BTI Client Service A-Team 2006***

The landmark BTI report *The Survey of Client Service Performance for Law Firms: The BTI Client Service A-Team* gives you an unprecedented view of how law firms are performing and which law firms stand out from the pack in the client's mind for providing superior client service. Based on interviews with almost 200 corporate counsel at the Fortune 1000, this compelling research tells you — by name — which law firms have differentiated themselves from the competition through excellence in client service. Learn how your clients view good performance and, through their unprompted and open assessment, which firms are the best.

#### ***The BTI Client Service All-Star Team for Law Firms 2006***

A report on law firms and individuals who have been nominated by their clients because they provide superior service. In this exclusive *BTI Client Service All-Star Report*, based on hundreds of interviews with Fortune 1000 corporate counsel, clients identify the individual lawyers that provide the best client service — by name.



## Additional Insights from BTI Publications

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### ***BTI Market Movers:***

#### ***Law Firms Shaping the Legal Market 2006***

The BTI Consulting Group's research with 240 corporate counsel at large and Fortune 1000 companies reveals 40 law firms stand out as the real movers and shakers in today's ever-changing legal marketplace. Of the 40, DLA Piper, Foley & Lardner, Jones Day and Skadden stand out as the true *BTI Market Trailblazers*. Use *BTI Market Movers* to learn 5 innovative approaches to case work and service delivery and how clients define value in word-for-word direct feedback.

### ***BTI Maximum Marketing:***

#### ***The 12 Power Marketing Practices for Pacesetting Performance 2005***

Imagine getting \$2.64 extra in profits per attorney for every dollar other firms get. Based on more than 110 in-depth interviews with top CMOs and financial analysis of more than 200 law firms, *BTI Maximum Marketing* is chock full of key insights and tools. The typical law firm engages in at least 160 different interrelated and interdependent marketing processes. BTI analyzed each and every one. This innovative, comprehensive analysis isolates the 12 power marketing practices that give law firms more bang for the buck: \$2.64 for each buck at an average law firm.

### ***Investment Banks and Their Law Firms:***

#### ***Client Service Performance and Market Dynamics***

The first of its kind, BTI's *Investment Banks and Their Law Firms: Client Service Performance and Market Dynamics* provides a valuable perspective into the unique spending habits, buying patterns, needs and expectations of the world's most demanding legal services clients: investment banks. Based on in-depth, individual interviews with over 60 corporate counsel and business leaders at 21 of the largest global investment banks, *Investment Banks and Their Law Firms* details client needs and expectations, delineates core and growing practice areas and pinpoints which law firms serve as primary providers. Find out how to tap into this \$2.4 billion market — and which law firms stand out for their superior client service performance, by name.



## Terms of Use

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JUST RELEASED! BRAND NEW, COMPLETELY UPDATED RESEARCH!



# BTI Premium Practices Forecast 2007: Survey of Corporate Legal Spending



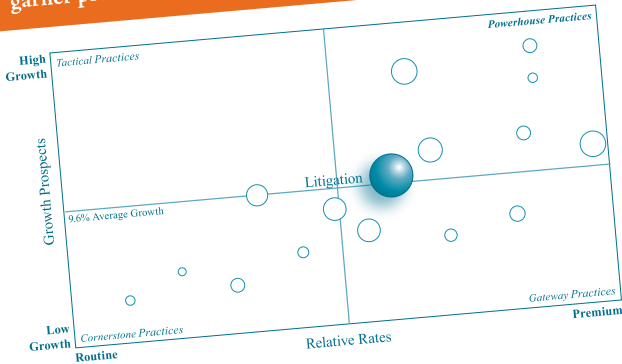
*BTI Premium Practices Forecast 2007: Survey of Corporate Legal Spending* delineates exactly where clients plan to increase spending on outside counsel in 2007. Based on more than 250 brand-new interviews with corporate counsel, *BTI Premium Practices Forecast 2007* is the must-have report on what's hot in 16 practices and 18 industries.

**Discover:**

- ◆ 7 Powerhouse Practices: double-digit growth and premium billing rates
- ◆ 9 practices clients reveal are commodity services
- ◆ Clients' top 10 premium services
- ◆ **Exclusive!** *BTI Industry Hot Spots* – high growth and premium rate opportunities by industry

## 7 Practices Boast Double-Digit Growth in 2007

7 key practices are poised for extraordinary growth. 5 Industries will trail the others in counsel spending. Target resources with laser precision to capture client dollars and garner premium rates.



**KEY CONCLUSIONS:**

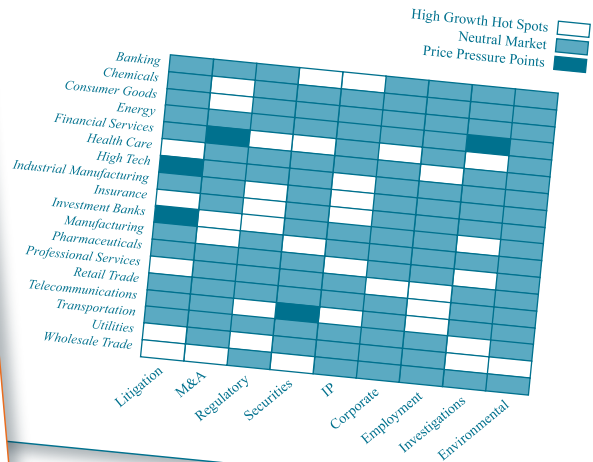
Delivered in a new, compelling snapshot style, BTI's most recent report analyzes client spending and budgets in comprehensive detail with charts, bullets and powerful insights.

- Target resources with precision – by industry and practice
- Craft hard-hitting marketing messages to top clients
- Devise client development plans for optimal profits per partner
- Hone in on corporate counsel's high priority needs
- Deliver unprecedented insight and advice into key areas

## 5 Industries Trail In Outside Counsel Spending

18 industries represent the bulk of spending in the U.S. corporate legal market. 16 practices account for the lion's share of outside counsel dollars. Out of 288 opportunities, 38 offer high-growth spending and premium rates.

**BTI INDUSTRY HOTSPOTS**



# WHAT YOU'LL FIND INSIDE

JUST RELEASED! BRAND NEW, COMPLETELY UPDATED RESEARCH!



# BTI Premium Practices Forecast 2007: Survey of Corporate Legal Spending

*BTI Premium Practices Forecast 2007* is your guide to target clients' legal dollars. Drawing on more than 250 in-depth interviews with corporate counsel, BTI pinpoints the **best** opportunities for **more dollars** and **higher billing rates**. With unparalleled precision and accuracy, BTI helps you **learn exactly where to:**

- ◆ Acquire lateral hires
- ◆ Invest marketing dollars by practice and industry
- ◆ Garner premium rates
- ◆ Recruit new associates
- ◆ Target business development efforts

## DRIVE ROBUST GROWTH:

### TOP 7 HOT SPOTS FOR 2007 BY PRACTICE AND INDUSTRY

**Yes!** Rush me my copy of *BTI's Premium Practices Forecast 2007: Survey of Corporate Legal Spending* – the essential guide to better investing my law firm's resources, targeting client development by practice and industry and boosting revenue and profits per partner.



**BTI's Premium Practices Forecast for 2007: Survey of Corporate Legal Spending**  
Includes a PDF licensed for internal use within your law firm and a single printed copy of BTI's Premium Practices Forecast.....\$2,200

*BTI is also able to provide larger quantities of the bound, printed reports. Please call Marcie L. Borgal Shunk at (617) 439-0333 x1649 to discuss pricing and packages.*

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